

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Crexendo Business Solutions, Inc.	:	
	:	
Application for a Certificate of Local and	:	
Interexchange Authority to Operate as a	:	10-0435
Resale and Facilities-Based Carrier of	:	
Telecommunications Services	:	
throughout the State of Illinois.	:	

ORDER

By the Commission:

On July 7, 2010, Crexendo Business Solutions, Inc. ("Applicant" or "Crexendo"), filed a verified application with the Illinois Commerce Commission ("Commission") pursuant to Section 13-404 for a Certificate of Service Authority to provide resold local and interexchange telecommunications services in Illinois; and pursuant to 13-405 for a Certificate of Exchange Service Authority to provide local facilities-based telecommunications services in Illinois.

Pursuant to notice given in accordance with the rules and regulations of the Commission, this matter came on for hearing before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois on August 18, 2010. Applicant presented the testimony of Jeff Korn, Chief Legal Officer. Qin Liu of the Telecommunications Division appeared for Commission Staff. At the conclusion of the hearing on August 18, the record was marked "Heard and Taken".

Applicant's Position

Applicant, an Arizona corporation authorized to transact business in Illinois, seeks to provide resold local and interexchange and facilities-based local telecommunications services. Applicant submitted evidence that it has the requisite technical, financial, and managerial qualifications to provide the services set forth in its application. Applicant provided SEC Form 10-KT from its parent company, iMergent, Inc., as evidence of the sufficiency of its financial resources to sustain its operations in Illinois. Mr. Korn testified that Applicant will provide service by using cash flow from iMergent's operations. Applicant also submitted evidence that its key management personnel have the requisite business and telecommunications experience to support the services Applicant will offer. The verified application states that Applicant will have technical personnel available at all times to assist customers with service problems. It also states that Applicant has not been denied a Certificate of Service or had its

certification revoked in any jurisdiction in this or any other name, and it has not had any complaints of judgments levied against it in any other jurisdiction.

Staff's Position

Staff stated that it had reviewed Crexendo's application and supporting documentation and based on that review, recommended that the application be approved.

Applicant has requested that the Commission make certain declarations and grant certain waivers of the requirements of the Public Utilities Act and from the rules and regulations of the Commission. The services Applicant proposes to provide will be competitive telecommunications services as described in Section 13-502(b) of the Act. Petitioner is required to file a tariff with the Commission under Section 13-501 of the Act describing the nature of its service, the applicable rates and charges, and the terms and conditions of the service provided. If Applicant files the required tariff in compliance with Section 13-502(e) of the Act and the rules adopted thereunder in 83 Ill. Adm. Code 745, many provisions of the Act as well as the regulations adopted by the Commission in Title 83 of the Illinois Administrative Code will be inapplicable to the Applicant.

For local and interexchange service, Applicant should be granted pursuant to Section 13-402 of the Act, a waiver of 83 Ill. Adm. Code, Part 710, the requirement to keep books and records in accordance with the Uniform System of Accounts, in order to reduce the economic burdens of regulation on a telecommunications carrier which provides only competitive services. For local service, Applicant should also be granted a variance from Part 735.180. Applicant will contract with underlying carriers to include Applicant's customer listings in their directories. For interexchange service, Applicant should further be granted a waiver of Part 735, governing credit, billing deposits, and termination of service, for the reasons stated hereinabove.

Applicant also requested Commission approval pursuant to 83 Ill. Adm. Code 250 to maintain its books and records at its principal place of business in Arizona. Applicant's request should be granted in accordance with Section 5-106 of the Act.

Findings and Ordering Paragraphs

The Commission, having considered the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) Crexendo Business Solutions, Inc., an Arizona corporation authorized to transact business in Illinois, seeks a Certificate of Service Authority to provide resold local and interexchange telecommunications services in Illinois; and a Certificate of Exchange Service Authority to provide facilities-based local telecommunications services in Illinois;

- (2) the Commission has jurisdiction over the Applicant and the subject matter herein;
- (3) as required by Sections 13-404 and 13-405 of the Act, Applicant possesses sufficient technical, financial and managerial resources to provide resold local and interexchange and facilities-based local exchange telecommunications services in Illinois;
- (4) Applicant should file with the Commission a tariff consisting of its rates, rules and regulations in accordance with Sections 13-501 and 13-502 of the Act, to be effective upon proper filing, before commencing service;
- (5) with regard to Applicant's provision of local exchange service, Applicant should be granted a variance from the requirements of 83 Ill. Adm. Code 735, Section 735.180, regarding publication of local directories, as it will contract with the incumbent local exchange carrier to include Applicant's customer listings within those directories;
- (6) with regard to Applicant's provision of local and interexchange service, Applicant should be granted a waiver from 83 Ill. Adm. Code 710, the Uniform System of Accounts for Telecommunications Carriers, as long as Applicant maintains its accounting records in accordance with Generally accepted Accounting Principles and at a level of detail substantially similar to the accounting system which it currently uses pursuant to its Chart of Accounts, and in sufficient detail to comply with all applicable tax laws;
- (7) with regard to Applicant's provision of interexchange service, Applicant should further be granted a waiver of Part 735 governing credit, billing deposits, and termination of service;
- (8) Applicant should establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission;
- (9) Pursuant to 83 Ill. Adm. Code 250, Applicant should be allowed to maintain its books and records at its principal place of business in Arizona in accordance with Section 5-106 of the Act.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that Crexendo Business Solutions, Inc. be, and is hereby, granted a Certificate of Service Authority pursuant to Section 13-404 of the Act for the resale of local and interexchange telecommunications services in Illinois.

IT IS FURTHER ORDERED that the Certificate of Service Authority hereinabove granted shall be the following:

CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that Crexendo Business Solutions, Inc. is authorized, pursuant to Section 13-404 of the Public Utilities Act, to provide resold local and interexchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED by the Illinois Commerce Commission that Crexendo Business Solutions, Inc. be, and is hereby, granted a Certificate of Exchange Service Authority pursuant to Section 13-405 of the Act for the provision of facilities-based local exchange telecommunications services in Illinois.

IT IS FURTHER ORDERED that the Certificate of Service Authority hereinabove granted shall be the following:

CERTIFICATE OF EXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that Crexendo Business Solutions, Inc. is authorized, pursuant to Section 13-405 of the Public Utilities Act, to provide facilities-based local exchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED that Applicant file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing before commencing service.

IT IS FURTHER ORDERED that 83 Ill. Adm. Code Parts 710 and 735.180 be, and are hereby, waived as set forth in Findings (5), (6) and (7) above.

IT IS FURTHER ORDERED that as a condition of these Certificates, Crexendo Business Solutions, Inc. be and is hereby, directed to establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission.

IT IS FURTHER ORDERED that pursuant to 83 Ill. Adm. Code 250, Applicant is authorized to maintain its books and records at its principal place of business in Arizona.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 9th day of September, 2009.

(SIGNED) MANUEL FLORES

Acting Chairman